

February 21, 1996 LB 1205

SENATOR WILL: Senator Bromm, do you yield?

SENATOR HARTNETT: It's your one paper that you passed out, I think yesterday or something, dealing with savings administrative costs, and I think Senator Withem raised that...Senator Wesely said that the costs have been going up about 3 percent over the years. And I look at the sheet that, you know, I understand that this body, the school lands built a building, a few years ago, in Lincoln, I guess, and looks like most of the land is not very close to Lincoln and so forth. Has...what's the cost going...how do they...how is this as a body...and I think that's what my question is, will we control the cost by...if we pass the bill? Will we still have the same costs, you know, if we sell the land? I think Senator Withem raised the question about the mineral rights. So what will happen with this administrative costs, these \$2.6 million as you have them penciled in at the bottom there?

SENATOR BROMM: Senator Hartnett, that is a good question. And our feeling is, and I feel fairly comfortable with this that if the land holdings are reduced, the personnel costs certainly should be reduced. They will need fewer farm managers and fewer personnel, fewer office personnel and that kind of thing. So I think we'll look at a reduction as the lands are sold. But until you have a constitutional amendment, you certainly will still have the independent agency there that can do some things to perpetuate some administrative costs.

SENATOR HARTNETT: But does there...if you're saying it may be, I think that's what you...kind of a soft word there, may be reduced. You know, do we need to do something as the lands are sold that they, you know, reduce their administrative costs a certain percentage? I'm just...

SENATOR BROMM: Can I respond?

SENATOR HARTNETT: Sure, yeah, that's...

SENATOR BROMM: You know as they come back with their plan, and as we have the Investment Council's report by December 1, I think that is an excellent question for the Legislature to deal with. And if we need to do something statutorily to provide an incentive or a mandate, if you will, to reduce the administrative costs, we could do it. I think it's a little